NRC FORM 7 (5-2003) 10 CFR 110

U.S. NUCLEAR REGULATORY COMMISSION

APPLICATION FOR LICENSE TO EXPORT NUCLEAR MATERIAL AND EQUIPMENT

(See Instructions on Reverse)

APPROVED BY OMB: NO. 3150-0027 EXPIRES: 05/31/2006

Estimated burden per response to comply with this mandatory collection request: 2.4 hours. This submittal is reviewed to ensure that the applicable statutory, regulatory, and policy considerations are satisfied. Send comments regarding burden estimate to the Records Management Branch (T-6 E6), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet e-mail to infocollects@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0027), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

1. APPLICANT'S USE	a. DATE OF APPLICATION	b. APPLICANT'S REFERENCE	2. NRC USE	
	July 1, 2003		11005426	XB001300

3. APPLICANT'S NAME AND ADDRESS

a. NAME: Halliburton Energy Services (and affiliated companies of Halliburton Company)

b. STREET ADDRESS (Facility Site): 4100 Clinton Drive

c. CITY: Houston | d. STATE: TX | e. ZIP CODE: 77020

f. TELEPHONE NUMBER: (713) 676-3011 | g. FAX: N/A | h. E-MAIL:

4. SUPPLIER'S NAME AND ADDRESS *(Complete if applicant is not supplier)*

a. NAME:

b. STREET ADDRESS:

c. CITY: | d. STATE: | e. ZIP CODE:

5. FIRST SHIPMENT SCHEDULED	6. FINAL SHIPMENT SCHEDULED	7. APPLICANT'S CONTRACTUAL DELIVERY DATE	8. PROPOSED LICENSE EXPIRATION DATE	9. CONTRACT NO.
6/19/03	3/15/09	6/19/03	6/19/09	U.S.A.C.E. Contract DACA 63-03-D-0005

10. ULTIMATE FOREIGN CONSIGNEE

a. NAME: Halliburton Worldwide Ltd.

b. STREET ADDRESS (Facility Site): Various oil well locations

c. CITY: | d. COUNTRY: Iraq

11. ULTIMATE END USE *(Include plant or facility name)*

Items are for use in oil well servicing operations at various oil well locations in Iraq. See letter of explanation.

11a. DATE REQUIRED

12. INTERMEDIATE FOREIGN CONSIGNEE

a. NAME: Halliburton Overseas Ltd.

b. STREET ADDRESS (Facility Site): Yard No. 34, P.O. Box 9022

c. CITY: East Ahmadi 61001 | d. COUNTRY: Kuwait

13. INTERMEDIATE END USE

N/A

13a. DATE REQUIRED

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14. INTERMEDIATE FOREIGN CONSIGNEE

a. NAME: N/A

b. STREET ADDRESS (Facility Site):

c. CITY: | d. COUNTRY:

15. INTERMEDIATE END USE

N/A

15a. DATE REQUIRED

16. COM CODE	17. DESCRIPTION *(Include chemical and physical form of nuclear material; give dollar value of nuclear equipment and components)*	18. MAX. ELEMENT WEIGHT	19. MAX. WT. %	20. MAX. ISOTOPE WEIGHT	21. UNIT
	Radioactive byproduct materials used in oil well servicing operations. See attached letter of explanation.	See attached		letter of explanation.	

22. FOREIGN OBLIGATIONS BY COUNTRY AND PERCENTAGE *(Use separate sheet if necessary)*

N/A

23. ADDITIONAL INFORMATION ON CONSIGNEES, END USES, AND PRODUCT DESCRIPTION *(Use separate sheet if necessary)*

Elite, 16303 Air Center Blvd., Houston, TX 77032
Contact: Larry Earley 281-443-0886

24. The applicant certifies that this application is prepared in conformity with Title 10, Code of Federal Regulations; and that all information in this application is correct to the best of his/her knowledge.

25. AUTHORIZED OFFICIAL	a. SIGNATURE	b. TITLE
	Teresa K. Johnston	Director - Export Import Compliance

BAKER & McKENZIE

ATTORNEYS AT LAW

815 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20006-4078
TELEPHONE (202) 452-7000
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July 1, 2003

Via Federal Express

Mr. Edward T. Baker
Deputy Director
Office of International Programs
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Mail Stop O-4E21
Rockville, Maryland 20852

RE: U.S. Army Corps of Engineers Contract (Contract No. DACA63-03-D-0005)
License Application to Export and Reexport NRC-Controlled Items to Iraq

Dear Mr. Baker:

On behalf of Halliburton Energy Services ("HES") and affiliated companies of HES' parent company, Halliburton Company, we are applying for a license to export and reexport to Iraq certain radioactive byproduct materials used in or to calibrate downhole oil well logging equipment, as described below. These items are subject to the export licensing jurisdiction of the Nuclear Regulatory Commission ("NRC-controlled items"). This license is being sought in support of reconstruction activities in Iraq pursuant to a U.S. Army Corps of Engineers contract awarded to Kellogg Brown & Root, Inc. ("KBR"), also a subsidiary of Halliburton Company. Attached to this letter is a completed NRC Form 7 and a check in the amount of $9,900.00, to cover the license application fee.

I. Background

KBR was awarded a contract (the "Contract") with the U.S. Army Corps of Engineers (Contract No. DACA63-03-D-0005) for fire suppression and rehabilitation of hydrocarbon and petrochemical facilities (including but not limited to oil wells) in Iraq. KBR has since subcontracted certain of its obligations to Halliburton Worldwide Ltd. ("HWL"), a subsidiary of HES. HWL is organized under the laws of the Cayman Islands and has its principal place of business at 10200 Bellaire Boulevard, Houston, TX 77072. In order to perform the required

services in Iraq, HWL will require logging instruments that are used with certain radioactive byproduct materials that are NRC-controlled items. The logging instruments are subject to the Export Administration Regulations ("EAR") and are classified under the EAR as "EAR99" items.

The NRC-controlled items are currently in possession of either HES, in the United States, Saudi Halliburton Logging LLC ("SHL"), or Halliburton Overseas Ltd ("HOL") in Kuwait.[1] The NRC-controlled items that are currently abroad were authorized for export from the United States by an NRC general license, at 10 C.F.R. § 110.22 and 110.23. The NRC-controlled items in the United States and Saudi Arabia will be exported or reexported to HOL's facility in Kuwait, where they will be combined with those NRC-controlled items already in Kuwait. All NRC-controlled items at this staging location will be maintained and safeguarded by HOL. HOL's facility in Kuwait is located at Yard No. 34, P.O. Box 9022, East Ahmadi 61001, Kuwait. The NRC-controlled items will remain at HOL's facility in Kuwait until required for operations in Iraq, at which point they will be transferred by Halliburton employees from the facility in Kuwait to various oil well locations in Iraq. When the NRC-controlled items are no longer needed for oil well operations in Iraq, they will be returned by Halliburton employees to the HOL facility in Kuwait until needed again. Since the items will be in Iraq only when in use and will be stored in Kuwait when not in use, HWL anticipates that they will be transferred between Iraq and Kuwait multiple times. During operations in Iraq and staging in Kuwait, the NRC-controlled items will at all times be owned by Halliburton entities and under the possession, control and safekeeping of Halliburton employees.

II. Items to be Exported and/or Reexported

As noted above, the NRC-controlled items include radioactive byproduct materials, subject to the export licensing jurisdiction of the NRC. These materials are used with logging instruments or devices as emitters of radiation into well bore formations. The emitted radiation is measured in correlation with decay rate for the purpose of providing information with respect to certain well bore conditions or lithology. These measurements are then used to evaluate oil well bores, particularly the condition of aged or damaged wells, to determine the extent of repair that will be required. The radioactive sources used for this purpose are double-encapsulated and are designed in such a way that they can be inserted into the logging instruments and then lowered into a well. HES also uses radioactive byproduct materials as "calibration sources" for purposes of calibrating its logging tools. The NRC-controlled items are more particularly described in the attached Exhibit "A."

[1] Halliburton International, Inc. is a majority owner of Saudi Halliburton Logging LLC, owning a 75% ownership share of the company. The remaining 25% ownership share is owned jointly by Shoaibi Contracting Establishment and Trading and Development Company. Saudi Halliburton Logging LLC is located at Abu Hadriyah Highway, Saihet, Saudi Arabia.

The review of license applications for the export of source or byproduct materials for non-nuclear end uses – which is the case here – are governed by the consideration of whether the proposed export would be inimical to the common defense and security of the United States. See 10 C.F.R. §110.42(c). HES respectfully submits that the proposed exports and reexports of the NRC-controlled items are not inimical to the common defense and security of the United States. As this project is under the auspices of a U.S. Government contract, we believe that the proposed exports are entirely consistent with U.S. Government policy and objectives.

III. Authorization Requested

Accordingly, HES and affiliates of HES' parent company, the Halliburton Company, request a specific license for the export or reexport to Iraq of the NRC-controlled items described in this application.

* * *

In the event any further information is needed, please do not hesitate to contact me at (202) 452-7004.

Very truly yours,

Edward E. Dyson

Encls.: Exhibit A
NRC Form 7

cc: Terry Soderstrom
Matt A. Scheffe
Halliburton Company

Janet K. Kim
Robert H. Bethea
Baker & McKenzie

Exhibit A

Wireline Logging Sources

QUANTITY	PART NUMBER	DESCRIPTION	TOTAL VALUE
8	13650	19 Curie AmBe 241 Logging Source used with Dual Spaced Neutron Tool	$30,000.00
8	13668	.5 Curie AmBe 241 Calibration Source used with Dual Spaced Neutron Tool	$3,500.00
8	101200032	1.5 Curie CS137 Source used with Spectral Litho Density Tool	$10,000.00
6	100133084	2.5 Microcurie TH 232 Blanket used to calibrate Digital Interface Telemetry System Tool, Natural Gamma Ray Tool, Compensated Spectral Natural Gamma Ray Tool.	$1,150.00
8	100090159	150 Millicurie Am 241 Gamma Source for fluid density used with Radioactive Fluid Density Tool	$4,500.00
6	100137406	.005 Microcurie CS-157 Pulsar Source encapsulated in Spectral Litho Density Tool.	$1,500.00
6	100137408	.016 Microcurie CS-137 Pulsar Source encapsulated in Spectral Litho Density Tool.	$1,500.00
6	100132056	.001 Microcurie Pulsar Source encapsulated in Compensated Spectral Natural Gamma Ray Tool.	$2,200.00
2	101251864	0.1 Millicurie AM241Calibration Source for tool calibration.	$4,000.00
2	101007612	10 Microcurie CS-137 Calibration Source for tool calibration.	$2,500.00
2	101272936	125 Millicurie CS-137 Calibration Source for calibrating Reservoir Monitoring Tool.	$5,000.00

Densometer Sources

QUANTITY	PART NUMBER	DESCRIPTION	TOTAL VALUE
10	100061746	10 Millicurie CESIUM 137 Sealed Model GT-GHP encapsulated in Densometer.	$1,500.00
10	100031739	20 Millicurie, CESIUM 137, Sealed Model GT-GHP encapsulated in Densometer.	$1,500.00
10	100031117	55 Millicurie, CESIUM 137, Sealed Model GT-GHP encapsulated in Densometer.	$1,500.00
10	100032324	100 Millicurie, CESIUM 137, Sealed Model GT_GHP encapsulated in Densometer.	$1,500.00

Logging While Drilling Sources

QUANTITY	PART NUMBER	DESCRIPTION	TOTAL VALUE
4	120161222	2.0 Curie, CS-137 Source SLD assembly with shield used in Stabilized Lith Density (SLD) Tool.	$5,500.00
4	87280	19 Curie, Am241Be, Source Assy W/PIG used in Compensated Thermal Neutron (CTN) Tool.	$30,000.00
4	120169357	8 Curie, Am241Be, Source Assy W/PIG used in Compensated Neutron Porosity (CNPh) Tool.	$21,000.00
4	120171109	100 Millicurie Am241Be Source encapsulated in Compensated Thermal Neutron (CTN) Verifier for Calibration of Neutron Tool	$2,000.00
8	120141442	1.3 Microcurie, CS-137 Source used in calibration of Gamma Tool.	$500.00
4	120141184	5.0 Microcurie, CS-137 Source used in Compensation Neutron Porosity Calibrator for Calibration of Neutron Tool.	$500.00
4	120172699	30 Microcurie, CO-57 Source used in Calibration Fixture for Calibration of the Stabalized Litho Density (SLD) Tool.	$1,000.00